

POSTED January 10, 2014

Regular Meeting  
Utilities Operations  
19001 Huntington St  
Huntington Beach, California  
Wednesday, January 15, 2014  
4:00 P.M.

# AGENDA WEST ORANGE COUNTY WATER BOARD

## **MEETING ASSISTANCE NOTICE – AMERICANS WITH DISABILITIES ACT**

In accordance with the Americans with Disabilities Act the following services are available to members of our community who require special assistance to participate in West Orange County Water Board meetings. If you require special assistance, 48-hour prior notification will enable the board to make reasonable arrangements. To make arrangements for an assisted listening device (ALD) for the hearing impaired, American Sign Language interpreters, a reader during the meeting and/or large print agendas, please contact the Secretaries Office at (714) 375-5160.

## **LATE COMMUNICATION**

*Staff and members of the public have the opportunity to submit information related to an agenda item following distribution of the agenda packet to the West Orange County Water Board. This information is identified as "Late Communication" and is assembled into a packet by the Secretary on the day of the West Orange County Board meeting. The Brown (Open Meetings) Act requires that copies of Late Communication be made available to the public immediately upon distribution of material to a majority of the West Orange County Water Board. Communication received by any individual at the meeting will be made available to the public in the Secretaries Office the following morning.*

## **CALL MEETING TO ORDER**

## **PLEDGE OF ALLEGIANCE**

**ROLL CALL:** Beard, Carchio, Miller, Harper, Quach

**PUBLIC COMMENTS**

**1. WELCOME NEW DIRECTOR AND NOMINATE NEW VICE CHAIRMAN**

Welcome new Director Matthew Harper of Huntington Beach to the West Orange County Water Board. Nominate a new Vice Chair to replace former Vice Chair Jill Hardy of Huntington Beach.

**2. MINUTES**

RECOMMENDATION: Motion to approve and adopt minutes of the October 16, 2013, Regular Meeting as prepared and mailed by the Secretary.

**3. FUND REPORT & RATIFY BILLS – Chris Davis**

RECOMMENDATION: Motion to approve and file Maintenance and Operation Fund Reports as prepared by the Fiscal Agent for the West Orange County Water Board and ratify bills as approved for payment by the Manager and paid by the City of Huntington Beach, Fiscal Agent for West Orange County Water Board.

**4. TREASURER'S REPORT AS PREPARED BY CITY TREASURER – Alisa Cutchen**

RECOMMENDATION: Receive and File.

**5. ANNUAL INVESTMENT POLICY – Alisa Cutchen**

RECOMMENDATION: Adopt resolution 14-01, the annual investment policy for the Board.

**6. LOCAL AGENCY INVESTMENT FUND – Alisa Cutchen**

RECOMMENDATION: Adopt resolution 14-02 authorizing deposit of the Boards funds in the Local Agency Investment Fund of the State Treasury.

**7. OPERATIONS & MAINTENANCE REPORT – Jay Kleinheinz**

RECOMMENDATION: Receive and File.

**8. MANAGEMENT AND ENGINEERING REPORT – Brian Ragland**

RECOMMENDATION: Receive and File.

**9. COMMENTS, QUESTIONS OR CONCERNS FROM DIRECTORS**

**10. ADJOURNMENT**

The next meeting will be a regular meeting held on April 16, 2014 at 4:00 p.m. at UTILITIES OPERATIONS, 19001 Huntington Street, Huntington Beach, California.

**WELCOME NEW DIRECTOR AND NOMINATE NEW VICE CHAIR**

**AGENDA ITEM NO.1**

**MINUTES OF OCTOBER 16, 2013 MEETING**

# **MINUTES OF THE WEST ORANGE COUNTY WATER BOARD**

Regular Meeting  
Public Works Utilities Yard  
Administration Building  
19001 Huntington Street  
Huntington Beach, California  
Wednesday, October 16, 2013

The Regular Meeting of the West Orange County Water Board was called to order by Chairman Carchio at the City of Huntington Beach Public Works Utilities Yard, Administration Building, 19001 Huntington Street, Huntington Beach, California on Wednesday, October 16, 2013 at 4:03 p.m.

Members Present: Director Beard – City of Garden Grove  
Chairman Carchio – City of Huntington Beach  
Vice Chair Hardy – City of Huntington Beach  
Director Miller – City of Seal Beach  
Director Quach – City of Westminster – Arrived at 4:15.

Members Absent: None

Others Present: Brian Ragland – City of Huntington Beach  
Jay Kleinheinz – City of Huntington Beach  
Andy Ferrigno – City of Huntington Beach  
Laurie Hill – City of Huntington Beach  
Chris Davis – City of Huntington Beach  
Alisa Cutchen – City of Huntington Beach  
Sean Crumby – City of Seal Beach

## **PUBLIC COMMENTS**

None.

## **LATE COMMUNICATION – WOCWB LAIF MARKET VALUATION**

### **1. MINUTES**

On a motion by Director Miller, and seconded by Director Beard, the Board approved and adopted the Minutes of July 17, 2013.

**Motion approved 3-0-1-1 (Abstain – Hardy, Absent - Quach).**

**2. FUND REPORT & RATIFY BILLS**

On a motion by Director Miller, and seconded by Vice Chair Hardy, the Board moved to approve and file the fund report and approved the ratification of bills for payment by the Manager and paid by the City of Huntington Beach, Fiscal Agent for the West Orange County Water Board.

**Motion approved 4-0-1 (Absent – Quach).**

**3. TREASURER'S REPORT AS PREPARED BY THE CITY TREASURER**

Treasurer Alisa Cutchen presented the Treasurer's Report and the quarterly LAIF Report.

On a motion by Vice Chair Hardy, and seconded by Director Miller, the Board moved to receive and file the Treasurer's Report.

**Motion approved 4-0-1 (Absent – Quach).**

**4. ANNUAL AUDIT**

Chris Davis reviewed net changes in assets.

On a motion by Vice Chair Hardy and seconded by Director Beard, the Board moved to receive and file the Annual Audit.

**Motion approved 4-0-1 (Absent – Quach).**

**5. OPERATIONS & MAINTENANCE REPORT**

Jay Kleinheinz reported that all maintenance is on schedule and up to date and provided the status of current flows at this time.

On a motion by Vice Chair Hardy, and seconded by Director Miller, the Board moved to receive and file the Operations and Maintenance Report.

**Motion approved 4-0-1 (Absent – Quach).**

**6. MANAGEMENT AND ENGINEERING REPORT**

Brian Ragland reported that the Poseidon Ocean Desalination Project hearing before the California Coastal Commission has been scheduled for November 13. The meeting will take place at the Newport Beach Civic Center at 1000 Civic Center Drive.

At this time, non-binding Letters of Intent have been signed and submitted to Poseidon by the City of Seal Beach (850 AF/YR), Rancho Santa Margarita (5,000 AF/YR with an option for an additional 5,000 AF/YR) and Irvine Ranch Water District (100 AF/YR if the cost is equivalent to imported water costs).

On a motion by Vice Chair Hardy, and seconded by Director Miller, the Board moved to receive and file the Management and Engineering Report.

**Motion approved 5-0.**

**7. COMMENTS, QUESTIONS OR CONCERNS FROM DIRECTORS**

None.

**8. ADJOURNMENT**

Chairman Carchio adjourned the Regular Meeting of the West Orange County Water Board to the next Regular Meeting scheduled for January 15 at 4:00 p.m. at the Utilities Yard, Administration Building, 19001 Huntington Street, Huntington Beach, California.

WEST ORANGE COUNTY WATER BOARD

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Laurie Hill  
Secretary

ATTEST: \_\_\_\_\_  
Joe Carchio, Chairman

**FUND REPORT AND RATIFY BILLS**



**West Orange County Water Board**  
**Expense Summary for January 15, 2014, Regular Board Meeting**

<b>Southern California Edison</b>	<u>Amount</u>
September 2013 Charges	\$346.88
October 2013 Charges	\$328.51
November 2013 charges	\$372.97
<b>subtotal</b>	<u><b>\$1,048.36</b></u>

<b>Operating Charges</b>	
Armorcast	\$7,160.40
	<u><b>\$7,160.40</b></u>

<b>Insurance</b>	
ACWA JPIA	\$2,110.00
	<u><b>\$2,110.00</b></u>

<b>Directors - October Meeting</b>	
Beard, Carchio, Hardy, Miller, Quach	\$500.00
<b>subtotal</b>	<u><b>\$500.00</b></u>

<b>Inventory Charges</b>	
Inventory charges 10/1/13 to 12/31/13	\$12,693.42
<b>subtotal</b>	<u><b>\$12,693.42</b></u>

<b>City of Huntington Beach - October through December 2013 Charges</b>	
Labor	\$2,847.40
Equipment Charges	\$1,487.45
<b>subtotal</b>	<u><b>\$4,334.85</b></u>

<b>Total</b>	<u><u><b>\$27,847.03</b></u></u>
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<b>Distribution</b>	<u><b>Percentage</b></u>	<u><b>Amount</b></u>
Garden Grove	4.20%	\$1,169.58
Huntington Beach	56.10%	\$15,622.18
Seal Beach	14.30%	\$3,982.13
Westminster	25.40%	\$7,073.15
<b>Total</b>		<u><b>\$27,847.03</b></u>

**WEST ORANGE COUNTY WATER BOARD  
FUND REPORT  
October 2013 to December 2013**

	Huntington Beach	Garden Grove	Seal Beach	Westminster	Total
Prior Quarter Balance	\$ 96,594.57	\$ 7,231.68	\$ 24,622.14	\$ 43,734.44	\$ 172,182.83
Deposits (YTD)	\$ 45,962.00	\$ 3,441.00	\$ 11,716.00	\$ 20,810.00	\$ 81,929.00
Interest LAIF	\$ 110.52	\$ 8.27	\$ 28.17	\$ 50.04	\$ 197.00
Total Income	\$ 46,072.69	\$ 3,449.29	\$ 11,744.02	\$ 20,860.00	\$ 82,126.00
Total Available	\$ 142,667.25	\$ 10,680.97	\$ 36,366.16	\$ 64,594.44	\$ 254,308.83
<u>Payee (this period)</u>					
So Cal Edison	\$ 588.13	\$ 44.03	\$ 149.92	\$ 266.28	\$ 1,048.36
Armorcast	\$ 4,016.98	\$ 300.74	\$ 1,023.94	\$ 1,818.74	\$ 7,160.40
ACWA-JPIA	\$ 1,183.71	\$ 88.62	\$ 301.73	\$ 535.94	\$ 2,110.00
Directors	\$ 280.50	\$ 21.00	\$ 71.50	\$ 127.00	\$ 500.00
Inventory Charges	\$ 7,121.01	\$ 533.12	\$ 1,815.16	\$ 3,224.13	\$ 12,693.42
City of Huntington Beach	\$ 2,431.85	\$ 182.06	\$ 619.88	\$ 1,101.05	\$ 4,334.85
Total Paid This Period	\$ 15,622.18	\$ 1,169.58	\$ 3,982.13	\$ 7,073.15	\$ 27,847.03
Total Paid to Date	\$ 15,622.18	\$ 1,169.58	\$ 3,982.13	\$ 7,073.15	\$ 27,847.03
<b>Balance in Fund</b>	<b>\$ 127,045.07</b>	<b>\$ 9,511.40</b>	<b>\$ 32,384.04</b>	<b>\$ 57,521.30</b>	<b>\$ 226,461.80</b>

**FY13-14 Summary of Charges (YTD)**

<u>Payee</u>	
So Cal Edison	\$ 1,048.36
Armorcast	\$ 7,160.40
ACWA-JPIA	\$ 2,110.00
Directors	\$ 500.00
Inventory Charges	\$ 12,693.42
City of Huntington Beach	\$ 4,334.85
<b>Total</b>	<b>\$ 27,847.03</b>



P.O. Box 300  
Rosemead, CA  
91772-0001  
www.sce.com

# Your electricity bill

WESTERN ORANGE CO WATER BOARD / Page 1 of 12

For billing and service inquiries call 1-800-990-7788,  
Mon - Fri 7 a.m. to 7 p.m. and Saturday 8 a.m. to 5 p.m.  
For emergency services call 24 hrs a day, 7 days a week

Customer account 2-21-891-9520  
KEN DILLS  
PO BOX 190  
HUNTINGTON BEACH, CA  
92648-0190

Date bill prepared: Oct 4 '13

## Your account summary

Amount of your last bill	\$403.85
Payment we received on Sep 23 '13 - thank you	-\$403.85
Balance forward	\$0.00
Your new charges	\$346.88
<b>Total amount you owe by Oct 23 '13</b>	<b>\$346.88</b>

## Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-000-6276-98	BOLSA/NEWLAND MIDWAY CITY, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$29.56
3-002-6702-34	WS SPGDALE/SO PE RR HUNTINGTON BEACH, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$49.70
3-003-5176-40	DALE N/O KATELLA STANTON, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$38.82
3-003-5426-86	8462 STANFORD AVE WTR GARDEN GROVE, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$24.24
3-003-5454-54	8502 KATELLA GARDEN GROVE, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$61.68
3-003-5464-49	CHAPMAN/KNOTT GARDEN GROVE, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$74.94
3-003-5550-78	SPRINGDALE/WESTMINSTER WESTMINSTER, CA	Sep 3 '13 to Oct 2 '13	GS-1	\$67.94
				<b>\$346.88</b>

Please return the payment stub below with your payment and make your check payable to Southern California Edison.  
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

14-574) Tear here

Tear here



Customer account 2-21-891-9520  
Please write this number on your check. Make your  
check payable to Southern California Edison.

Amount due by Oct 23 '13 **\$346.88**

Amount enclosed \$

STMT 10042013 P4 C07 T0199 036200 01 AV 0.3570 B900



WESTERN ORANGE CO WATER BOARD  
% HUNTINGTON BEACH WATER DIV  
PO BOX 190  
HUNTINGTON BEACH, CA 92648-0190

P.O. BOX 300  
ROSEMEAD, CA 91772-0001

21 891 9520 00000050 000000000000034688000034688



P.O. Box 300  
Rosemead, CA  
91772-0001  
www.sce.com

# Your electricity bill

WESTERN ORANGE CO WATER BOARD / Page 3 of 18

For billing and service inquiries call 1-800-990-7788,  
Mon - Fri 7 a.m. to 7 p.m. and Saturday 8 a.m. to 5 p.m.  
For emergency services call 24 hrs a day, 7 days a week

Date bill prepared: Nov 5 '13

Customer account 2-21-891-9520  
KEN DILLS  
PO BOX 190  
HUNTINGTON BEACH, CA  
92648-0190

## Your account summary

Amount of your last bill  
Payment we received on Oct 28 '13 - thank you  
Balance forward  
Your new charges  
Late payment charge

GE/OC/OD/OJ/OW #	13175
Supplier #	18029
Order Co#	508
2-way bill 3-way	
Account #	50885101.61200
Approved	7/11/11-1413
PV#	2.77
Batch#	
	\$328.51

**Total amount you owe by Nov 25 '13**

## Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-000-6276-98	BOLSA/NEWLAND MIDWAY CITY, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$29.54
3-002-6702-34	WS SPGDALE/SO PE RR HUNTINGTON BEACH, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$46.82
3-003-5176-40	DALE N/O KATELLA STANTON, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$38.05
3-003-5426-86	8462 STANFORD AVE WTR GARDEN GROVE, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$25.08
3-003-5454-54	8502 KATELLA GARDEN GROVE, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$56.29
3-003-5464-49	CHAPMAN/KNOTT GARDEN GROVE, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$67.61
3-003-5550-78	SPRINGDALE/WESTMINSTER WESTMINSTER, CA	Oct 2 '13 to Nov 1 '13	GS-1	\$62.35
				<b>\$325.74</b>

Please return the payment stub below with your payment and make your check payable to Southern California Edison.  
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

(14-574)

Tear here

Tear here



Customer account 2-21-891-9520  
Please write this number on your check. Make your  
check payable to Southern California Edison.

**Amount due by Nov 25 '13** **\$328.51**

Amount enclosed

\$

STMT 11052013 P4



WESTERN ORANGE CO WATER BOARD  
% HUNTINGTON BEACH WATER DIV  
PO BOX 190  
HUNTINGTON BEACH, CA 92648-0190

P.O. BOX 300  
ROSEMEAD, CA 91772-0001

21 891 9520 00000051 000000000000032851000032851



P.O. Box 300  
Rosemead, CA  
91772-0001  
www.sce.com

# Your electricity bill

WESTERN ORANGE CO WATER BOARD / Page 1 of 14

For billing and service inquiries call 1-800-990-7788,  
Mon - Fri 7 a.m. to 7 p.m. and Saturday 8 a.m. to 5 p.m.  
For emergency services call 24 hrs a day, 7 days a week

Customer account 2-21-891-9520  
KEN DILLS  
PO BOX 190  
HUNTINGTON BEACH, CA  
92648-0190

Date bill prepared: Dec 6 '13

## Your account summary

Amount of your last bill	\$328.51
Payment we received on Nov 25 '13 - thank you	-\$328.51
Balance forward	\$0.00
Your new charges	\$372.97
<b>Total amount you owe by Dec 26 '13</b>	<b>\$372.97</b>

## Summary of your billing detail

Service account	Service address	Billing period	Your rate	New charges
3-000-6276-98	BOLSA/NEWLAND MIDWAY CITY, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$32.52
3-002-6702-34	WS SPGDALE/SO PE RR HUNTINGTON BEACH, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$52.65
3-003-5176-40	DALE N/O KATELLA STANTON, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$56.88
3-003-5426-86	8462 STANFORD AVE WTR GARDEN GROVE, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$27.59
3-003-5454-54	8502 KATELLA GARDEN GROVE, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$62.34
3-003-5464-49	CHAPMAN/KNOTT GARDEN GROVE, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$75.36
3-003-5550-78	SPRINGDALE/WESTMINSTER WESTMINSTER, CA	Nov 1 '13 to Dec 4 '13	GS-1	\$65.63
				<b>\$372.97</b>

Please return the payment stub below with your payment and make your check payable to Southern California Edison.  
If you want to pay in person, call 1-800-747-8908 for locations, or you can pay online at www.sce.com.

Tear here

(14-574) Tear here



Customer account 2-21-891-9520  
Please write this number on your check. Make your  
check payable to Southern California Edison.

Amount due by Dec 26 '13 **\$372.97**

Amount enclosed \$

STMT 12062013 P4 C07 T0200 036323 01 AV 0.3570 B900  
WESTERN ORANGE CO WATER BOARD  
% HUNTINGTON BEACH WATER DIV  
PO BOX 190  
HUNTINGTON BEACH, CA 92648-0190

P.O. BOX 300  
ROSEMEAD, CA 91772-0001

21 891 9520 00000053 00000000000000372970000037297

# INVOICE



**ARMORCAST® PRODUCTS COMPANY**  
13230 Saticoy Street, North Hollywood, California 91605  
(818) 982-3600



INVOICE NUMBER	INVOICE DATE	CUST. NO.
0150338-IN	10/02/13	00-HUN25
WORK ORDER NO.		B.O.
0119777		0

## SOLD TO:

CITY OF HUNTINGTON BEACH  
ACCOUNTS PAYABLE  
P.O. BOX 784  
HUNTINGTON BEACH, CA 92648

## SHIP TO:

CITY OF HUNTINGTON BEACH  
7512 GARFIELD AVE.  
HUNTINGTON BEACH, CA 92648

ORDER DATE	CUSTOMER P.O.	SHIP VIA	FOB	TERMS
09/17/13	19114-OP	OUR TRUCK	PP DESTINATION	Net 30 Days

BUYER	REQUEST DATE	W/H	SALES REPRESENTATIVE	TERRITORY
GRIFFIN SHARON			KHANJIAN, GARY	CA OR

ITEM #	DESCRIPTION	ORIGINAL QTY ORDERED	QTY B/O	QTY SHIPPED	UNIT PRICE	AMOUNT
P6002010-SND	Whse: 002 12" Dia. x 36" Sampling Station Without Sampling Valve (Sandstone Style)  SHIP FREIGHT PREPAID	34	0	34	195.00	6630.00

OP/OC/OD/OJ/OW# 19114  
Supplier # 19852  
Order Co # 508  
2-way or 3-way 5  
Account # 50885101.64620  
Approved: [Signature] 10-10-13  
PV # \_\_\_\_\_ Batch # \_\_\_\_\_

PAYMENT TERMS AS SHOWN ON ACKNOWLEDGMENTS AND INVOICES: subject to a delinquent charge of 1½% per month (but not in excess of lawful maximum) as a condition of the sales agreement if not paid within 30 days of date of invoice. IF LEGAL ACTION IS NECESSARY TO COLLECT ANY SUMS DUE HEREUNDER PURCHASER AGREES TO PAY ALL COST OF COLLECTION INCLUDING COURT COSTS AND ATTORNEY FEES INCURRED.

NET SALE	DISCOUNT	FREIGHT	SALES TAX	AMOUNT DUE
6630.00	0.00	0.00	530.40	7160.40

ORIGINAL



ASSOCIATION OF  
CALIFORNIA WATER AGENCIES  
PO BOX 2408  
SACRAMENTO, CA 95812-2408  
(916) 441-4545 FAX (916) 325-4849

10/30/13

Federal Identification Number: 94-6003910

137265  
West Orange County Water Board  
Mr. Chris Davis  
PO Box 190  
Huntington Beach, CA 92648-2211

AG14 2014 Agency Dues

2,110.00

2,110.00

LESS PAYMENTS

AMOUNT DUE

2,110.00

*11/11/13 11211  
5085101.73010*

OP/OC/OD/OJ/OW #	48132
Supplier #	11211
Order Co#	508
2-way or 3-way	
Account #	5085101.73010
Approved	<i>11-19-13</i>
PV#	Batch#

\* MEMBERSHIP DUES \* MEMBERSHIP DUES \* MEMBERSHIP DUES \*

99018 OR

CUSTOMER COPY

## STATEMENT

WEST ORANGE COUNTY WATER BOARD  
CITY HALL  
2000 MAIN STREET  
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2013

**\$100.00**

*I certify that the above is true and just and that  
payment therefore has not been received and that  
services performed were performed for the benefit of  
the Board.*

Date: October 16, 2013

  
\_\_\_\_\_  
Signature

**Kris Beard  
CITY OF GARDEN GROVE**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

34129

47845 OR  
98396 OR



## STATEMENT

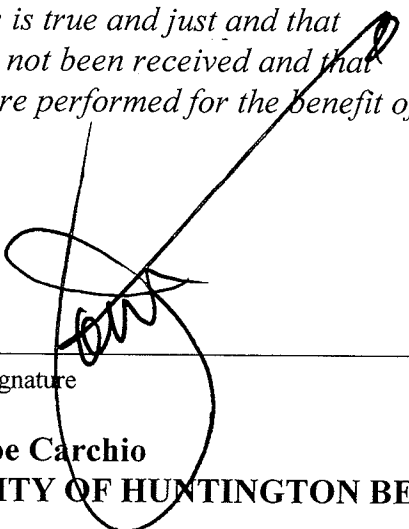
WEST ORANGE COUNTY WATER BOARD  
CITY HALL  
2000 MAIN STREET  
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2013

**\$100.00**

*I certify that the above is true and just and that  
payment therefore has not been received and that  
services performed were performed for the benefit of  
the Board.*

**Date:** October 16, 2013

  
\_\_\_\_\_  
Signature

**Joe Carchio  
CITY OF HUNTINGTON BEACH**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

35373

47849 012  
98400 012

## STATEMENT

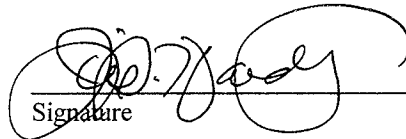
WEST ORANGE COUNTY WATER BOARD  
CITY HALL  
2000 MAIN STREET  
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2013

**\$100.00**

*I certify that the above is true and just and that  
payment therefore has not been received and that  
services performed were performed for the benefit of  
the Board.*

Date: October 16, 2013

  
Signature

**Jill Hardy**  
**CITY OF HUNTINGTON BEACH**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000

17893

47876 OR  
98397 OR

## STATEMENT

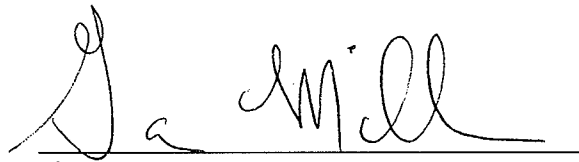
WEST ORANGE COUNTY WATER BOARD  
CITY HALL  
2000 MAIN STREET  
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2013

**\$100.00**

*I certify that the above is true and just and that  
payment therefore has not been received and that  
services performed were performed for the benefit of  
the Board.*

Date: October 16, 2013

  
Signature

**Gary Miller**  
**CITY OF SEAL BEACH**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000
63470	

47847012  
983980R

**STATEMENT**

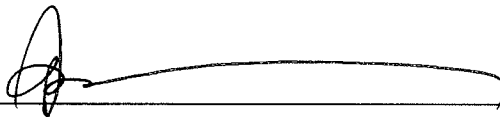
WEST ORANGE COUNTY WATER BOARD  
CITY HALL  
2000 MAIN STREET  
HUNTINGTON BEACH, CALIFORNIA

Services for the month of October 2013

**\$100.00**

*I certify that the above is true and just and that  
payment therefore has not been received and that  
services performed were performed for the benefit of  
the Board.*

Date: October 16, 2013

  
Signature

**Andy Quach  
CITY OF WESTMINSTER**

50885101.75410	\$56.1000
50885101.75420	\$4.2000
50885101.75430	\$14.3000
50885101.75440	\$25.4000
	\$100.0000
101387	

47848 OR

98399 OR



# Work Order Charges Summary

Report Range: From 10/1/2013 To 12/31/2013

Program/Category	WO Description	WO	Other Charges	Labor	Labor Charges	Equip.	Materials	Total
508-WOCWB		5		62	\$2,847.40	\$1,487.45	\$12,693.42	\$17,028.27
Miscellaneous (50885101.64620)		1		6	\$336.39	\$85.72		\$422.11
WO: 130043	WOCWB OT	1		6	\$336.39	\$85.72		\$422.11
Other Cont Svcs (50885101.69505)		4		56	\$2,511.01	\$1,401.73	\$12,693.42	\$16,606.16
WO: 130159	WOCWB Oct.	1		10	\$455.51	\$86.26	\$12,693.42	\$13,235.19
WO: 130160	WOCWB Nov.	1		10	\$492.97	\$431.30		\$924.27
WO: 130161	WOCWB Dec.	1		27	\$1,157.95	\$690.08		\$1,848.03
WO: 130192	WOCWB - Blow Offs	1		9	\$404.58	\$194.09		\$598.67

Labor Charges \$2,847.40  
 Equipment Charges \$1,487.45  
**Total Charges \$4,334.85**

**TREASURER'S REPORT AS PREPARED BY CITY TREASURER**



CITY OF HUNTINGTON BEACH  
INTERDEPARTMENTAL COMMUNICATION  
OFFICE OF THE CITY TREASURER

TO: West Orange County Water Board (WOCWB) c/o Chris Davis

FROM: Alisa Cutchen, City Treasurer

DATE: January 8, 2014

**SUBJECT: WEST ORANGE COUNTY WATER BOARD (WOCWB) - QUARTERLY  
INVESTMENT REPORT – JANUARY 15, 2014 MEETING**

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Enclosed are the Investment Reports for October, November and December 2013.

Please distribute to the WOCWB Board Members and place these items on the next WOCWB agenda. We are missing the December 2013 LAIF Market Value Report, as it is not yet available. If we receive this report prior to the WOCWB meeting date of January 15, 2014, I will ask Linda Wine to send you a copy as a late item.

cc: Laurie Hill  
Joyce M. Zacks

# **West Orange County Water Board Treasurer's Report**

**Period Beginning: October 1, 2013  
Period Ending: December 31, 2013**

***Prepared by: Alisa Cutchen, Huntington Beach City Treasurer***



## **Economic and Market Overview:**

*The following is an excerpt from Citibank's Economic Research "U.S. Economics Weekly: Market and Policy Comments," January 3, 2014:*

The closing weeks of 2013 witnessed a string of positive economic reports along with continued bullish trends in credit and equity markets. Together, these developments have bolstered optimism that the economy's performance in 2014 will break the pattern of recurring disappointments that have defined four years of recovery. Growth in the second half of 2013 now appears to have easily topped 3% amid powerful gains in consumer discretionary and business spending. Weaker government outlays and possible temporary weather-related losses are the only blemishes on an accelerating growth story. Although recovery received one-off boosts last year from the end of the drought and the bounce back from Hurricane Sandy, overall resilience in the face of fiscal drag suggests gathering momentum into the new year. Despite higher than expected interest rates at year end, continued improvements in credit and equity markets have lifted overall financial conditions.

## **Portfolio Overview:**

*As of December 31, 2013:*

<u>Investment Type</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>YTM 365-day</u>
Local Agency Investment Fund (LAIF)	207,835	83.5%	0.26%
Union Bank Account	41,025	16.5%	0.05%
<b>Totals</b>	<b>\$248,860</b>	<b>100%</b>	<b>0.23%</b>

As of December 31, 2013, the market value of the WOCWB investment portfolio was \$248,860. The portfolio is invested in only those investments allowable by State regulations and WOCWB's Investment Policy. Such investments are purchased to meet the portfolio objectives (in the following absolute order of importance): Safety of principal, maintenance of sufficient operating liquidity, and a market rate of return over budgetary and market cycles.

Currently, funds are invested in the State of California's Local Agency Investment Fund (LAIF) and a Business Money Market account at Union Bank of California. LAIF offers local agencies the opportunity to participate in a major portfolio with immediate liquidity managed by the State Treasurer's Office (please see <http://www.treasurer.ca.gov/pmia-laif> for more information).

## **Portfolio Earnings and Performance:**

Earnings generated by the portfolio are derived from interest earnings from LAIF and Union Bank. The following depicts the LAIF average monthly effective yields over the past 12 months:

<u>Nov</u>	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>
0.32%	0.33%	0.30%	0.29%	0.29%	0.26%	0.25%	0.24%	0.27%	0.27%	0.26%	0.27%	0.26%

The Union Bank Money Market account currently yields 0.05%. Total investment income earned for the quarter ending December 31, 2013 was \$157.04.

Per the Investment policy, the investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The benchmark for determining market yields is the monthly average return of the 6-month constant maturity Treasury ("6 month CMT"), per the Investment Policy Statement. This is used solely as a reference tool, and does not imply that the Treasurer will add additional risk to the portfolio in order to attain or exceed the benchmark. Due to the historically low current interest rates, the income from the portfolio has been decreasing over time.

The monthly effective rate of return of the portfolio for December, 2013 was 0.23%. While this is low, the portfolio's rate of return compares favorably to the benchmark 6-month CMT of 0.10%, as of December, 2013. The portfolio yield overall continues to remain very low as expected due to the historically low interest rates. It is anticipated that the portfolio yield will remain at these low levels for some time.

**Compliance:**

The portfolio is in conformity with all State laws and the Statement of Investment Policy as adopted by Resolution of the Board of West Orange County Water. The investment program herein shown provides sufficient cash flow liquidity to meet the next six months' obligations.



**West Orange County Water Board**  
**Portfolio Management**  
**Portfolio Summary**  
**October 31, 2013**

City of Huntington Beach  
 2000 Main St.  
 Huntington Beach,

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	207,834.86	207,834.86	207,834.86	97.48	1	1	0.262	0.266
Passbook/Checking Accounts - UBOC	5,381.27	5,381.27	5,381.27	2.52	1	1	0.049	0.050
<b>Investments</b>	<b>213,216.13</b>	<b>213,216.13</b>	<b>213,216.13</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.257</b>	<b>0.261</b>

Total Earnings	October 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	62.13		62.13	
Current Budget	40.00		40.00	480.00
Last Year Actual	60.00		60.00	720.00
Average Daily Balance	280,026.22		280,026.22	
Effective Rate of Return	0.26%		0.26%	

I certify that this report accurately reflects all WOCWB investments and is in conformity with all State laws and the investment policy statement filed with the WOCWB Board of Directors on January 18, 2012. A copy of this policy is available in the office of WOCWB. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's budgeted expenditures.

*Alisa Cutchen*  
 Alisa Cutchen, Treasurer

1-7-14

Reporting period 10/01/2013-10/31/2013

Run Date: 01/07/2014 - 12:51

Portfolio WOCWB  
 AC  
 PM (PRF PM1) 7.3.0  
 Report Ver. 7.3.3b

**West Orange County Water Board**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**October 31, 2013**

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Local Agency Investment Funds</b>												
SYS100	100	Local Agency Investment Fund			207,834.86	207,834.86	207,834.86	0.266		0.266	1	
		<b>Subtotal and Average</b>	<b>273,230.85</b>		<b>207,834.86</b>	<b>207,834.86</b>				<b>0.266</b>	<b>1</b>	
<b>Passbook/Checking Accounts - UBOC</b>												
SYS101	101	Union Bank of California			5,381.27	5,381.27	5,381.27	0.050		0.050	1	
		<b>Subtotal and Average</b>	<b>6,795.38</b>		<b>5,381.27</b>	<b>5,381.27</b>				<b>0.050</b>	<b>1</b>	
		<b>Total and Average</b>	<b>280,026.22</b>		<b>213,216.13</b>	<b>213,216.13</b>				<b>0.261</b>	<b>1</b>	

Run Date: 01/07/2014 - 12:51

Portfolio WOCW  
AC  
PM (PRF\_PM2) 7.3.0

Report Ver. 7.3.3b

**West Orange County Water Board**  
**Portfolio Management**  
**Activity By Type**  
**October 1, 2013 through October 31, 2013**

Page 1

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Local Agency Investment Funds (Monthly Summary)</b>							
SYS100	100	Local Agency Investment Fund	0.265		194.60	70,000.00	
		<b>Subtotal</b>			<b>194.60</b>	<b>70,000.00</b>	<b>207,834.86</b>
<b>Passbook/Checking Accounts - UBOC (Monthly Summary)</b>							
SYS101	101	Union Bank of California	0.050		70,000.28	69,128.19	
		<b>Subtotal</b>			<b>70,000.28</b>	<b>69,128.19</b>	<b>5,381.27</b>
		<b>Total</b>			<b>70,194.88</b>	<b>139,128.19</b>	<b>213,216.13</b>

Run Date: 01/07/2014 - 12:51

Portfolio WOCW  
AC  
PM (PRF\_PM3) 7.3.0  
Report Ver. 7.3.3b

# West Orange County Water Board Portfolio Management Activity Summary

Page 1

October 2012 through October 2013

Month End	Year	Number of Securities	Average Balance	Yield to Maturity			Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent						
October	2012	2	262,334.41	0.338	0.343		0.348	0	0	1	1
November	2012	2	255,111.11	0.318	0.322		0.324	0	0	1	1
December	2012	2	253,772.23	0.318	0.322		0.324	0	0	1	1
January	2013	2	265,773.47	0.283	0.287		0.300	0	0	1	1
February	2013	2	287,741.90	0.259	0.262		0.286	0	0	1	1
March	2013	2	280,347.87	0.259	0.263		0.286	0	0	1	1
April	2013	2	279,979.18	0.240	0.243		0.264	0	0	1	1
May	2013	2	277,213.26	0.227	0.230		0.245	0	0	1	1
June	2013	2	293,513.82	0.164	0.166		0.245	0	0	1	1
July	2013	2	423,355.25	0.248	0.251		0.267	0	0	1	1
August	2013	2	336,053.41	0.249	0.253		0.271	0	0	1	1
September	2013	2	308,679.18	0.250	0.254		0.257	0	0	1	1
October	2013	2	280,026.22	0.257	0.261		0.266	0	0	1	1
Average		2	292,728.36	0.262%	0.266%		0.283	0	0	1	1

Run Date: 01/07/2014 - 12:51

Portfolio WOCW  
AC  
PM (PRF\_PMA) 7.3.0  
Report Ver. 7.3.0b

**West Orange County Water Board**  
**Portfolio Management**  
**Interest Earnings Summary**  
**October 31, 2013**

Page 1

	October 31 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
<b>Cash/Checking Accounts:</b>		
Interest Collected	194.88	194.88
Plus Accrued Interest at End of Period	-3,289.88	-3,289.88
Less Accrued Interest at Beginning of Period	( -3,157.13)	( -3,157.13)
Interest Earned during Period	62.13	62.13
Total Interest Earned during Period	62.13	62.13
Total Adjustments from Premiums and Discounts	0.00	0.00
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	62.13	62.13

Run Date: 01/07/2014 - 12:51

Portfolio WOCW  
AC  
PM (PRF\_P146) 7.3.0  
Report Ver: 7.3.3b

**State of California  
Pooled Money Investment Account  
Market Valuation  
10/31/2013**

Description	Carrying Cost Plus		
	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 14,731,308,772.98	\$ 14,745,385,500.00	NA
Notes	\$ 17,163,407,881.37	\$ 17,186,064,500.00	\$ 14,708,355.50
Federal Agency:			
SBA	\$ 564,147,634.48	\$ 559,197,034.43	\$ 536,447.36
MBS-REMICs	\$ 154,218,287.19	\$ 166,976,430.23	\$ 735,650.40
Debentures	\$ 1,574,993,399.51	\$ 1,572,866,800.00	\$ 5,285,242.50
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 1,998,251,708.35	\$ 1,999,631,000.00	NA
GNMA	\$ -	\$ -	\$ -
IBRD Debenture	\$ 549,990,597.01	\$ 550,182,500.00	\$ 929,514.00
IBRD Deb FR	\$ -	\$ -	\$ -
CDs and YCDs FR	\$ 400,000,000.00	\$ 400,025,400.00	\$ 397,415.00
Bank Notes	\$ -	\$ -	\$ -
CDs and YCDs	\$ 6,375,000,000.00	\$ 6,372,788,322.74	\$ 3,087,444.44
Commercial Paper	\$ 1,624,688,958.36	\$ 1,624,857,944.45	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 4,499,140,000.00	\$ 4,499,140,000.00	NA
AB 55 & GF Loans	\$ 7,186,329,649.37	\$ 7,186,329,649.37	NA
TOTAL	\$ 56,821,476,888.62	\$ 56,863,445,081.22	\$ 25,680,069.20

<b>Fair Value Including Accrued Interest</b>	<b>\$</b>	<b>56,889,125,150.42</b>
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**Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).**





West Orange County Water Board  
Portfolio Management  
Portfolio Summary  
November 30, 2013

City of Huntington Beach  
2000 Main St.  
Huntington Beach,

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	207,834.86	207,834.86	207,834.86	83.52	1	1	0.259	0.263
Passbook/Checking Accounts - UBOC	41,023.65	41,023.65	41,023.65	16.48	1	1	0.049	0.050
<b>Investments</b>	<b>248,858.51</b>	<b>248,858.51</b>	<b>248,858.51</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.225</b>	<b>0.228</b>

Total Earnings	November 30	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	46.74		108.87	
Current Budget	40.00		80.00	480.00
Last Year Actual	60.00		120.00	720.00
Average Daily Balance	219,156.47		250,090.28	
Effective Rate of Return	0.26%		0.26%	

I certify that this report accurately reflects all WOCWB investments and is in conformity with all State laws and the investment policy statement filed with the WOCWB Board of Directors on January 18, 2012. A copy of this policy is available in the office of WOCWB. The investment program herein shown provides sufficient cash flow liquidity to meet the next six month's budgeted expenditures.

1-7-14

Alisa Cutchen, Treasurer

Reporting period 11/01/2013-11/30/2013

Run Date: 01/07/2014 - 12:52

Portfolio WOCWB  
AC  
PM (PRF\_PM1) 7.3.0  
Report Ver: 7.3.3b

**West Orange County Water Board**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**November 30, 2013**

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Statad Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Local Agency Investment Funds</b>												
SYS100	100	Local Agency Investment Fund			207,834.86	207,834.86	207,834.86	0.263		0.263	1	
		<b>Subtotal and Average</b>	<b>207,834.86</b>		<b>207,834.86</b>	<b>207,834.86</b>				<b>0.263</b>	<b>1</b>	
<b>Passbook/Checking Accounts - UBOC</b>												
SYS101	101	Union Bank of California			41,023.65	41,023.65	41,023.65	0.050		0.050	1	
		<b>Subtotal and Average</b>	<b>11,321.61</b>		<b>41,023.65</b>	<b>41,023.65</b>				<b>0.050</b>	<b>1</b>	
		<b>Total and Average</b>	<b>219,156.47</b>		<b>248,858.51</b>	<b>248,858.51</b>				<b>0.228</b>	<b>1</b>	

Run Date: 01/07/2014 - 12:52

Portfolio WOCW  
AC  
PM (PRF\_PM2) 7.3.0

Report Ver: 7.3.3b

# West Orange County Water Board Portfolio Management

## Activity By Type

November 1, 2013 through November 30, 2013

Page 1

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
<b>Local Agency Investment Funds (Monthly Summary)</b>							
Subtotal							207,834.86
<b>Passbook/Checking Accounts - UBOC (Monthly Summary)</b>							
SYS101	101	Union Bank of California	0.050		35,642.38	0.00	
Subtotal							41,023.85
Total							248,858.51

Run Date: 01/07/2014 - 12:52

Portfolio WOCW  
AC  
PM (PRE PM3) 7.3.0  
Report Ver. 7.3.0b

**West Orange County Water Board**  
**Portfolio Management**  
**Activity Summary**  
**November 2012 through November 2013**

Page 1

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
November	2012	2	255,111.11	0.318	0.322	0.324	0	0	1	1
December	2012	2	253,772.23	0.318	0.322	0.324	0	0	1	1
January	2013	2	265,773.47	0.283	0.287	0.300	0	0	1	1
February	2013	2	287,741.90	0.259	0.262	0.286	0	0	1	1
March	2013	2	280,347.87	0.259	0.263	0.286	0	0	1	1
April	2013	2	279,979.18	0.240	0.243	0.264	0	0	1	1
May	2013	2	277,213.26	0.227	0.230	0.245	0	0	1	1
June	2013	2	293,513.82	0.164	0.166	0.245	0	0	1	1
July	2013	2	423,355.25	0.248	0.251	0.267	0	0	1	1
August	2013	2	336,053.41	0.249	0.253	0.271	0	0	1	1
September	2013	2	308,679.18	0.250	0.254	0.257	0	0	1	1
October	2013	2	280,026.22	0.257	0.261	0.266	0	0	1	1
November	2013	2	219,156.47	0.225	0.228	0.263	0	0	1	1
Average		2	289,525.97	0.254%	0.257%	0.277	0	0	1	1

Run Date: 01/07/2014 - 12:52

Portfolio WOCW  
AC  
PM (PRF\_PM4) 7.3.0  
Report Ver. 7.3.0b

**West Orange County Water Board**  
**Portfolio Management**  
**Interest Earnings Summary**  
**November 30, 2013**

Page 1

	November 30 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
<b>Cash/Checking Accounts:</b>		
Interest Collected	0.40	195.28
Plus Accrued Interest at End of Period	-3,243.54	-3,243.54
Less Accrued Interest at Beginning of Period	( -3,289.88)	( -3,157.13)
Interest Earned during Period	46.74	108.87
Total Interest Earned during Period	46.74	108.87
Total Adjustments from Premiums and Discounts	0.00	0.00
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	46.74	108.87

Portfolio WOCW  
AC  
PM (PRF\_PMB) 7.3.0  
Report Ver. 7.3.3b

**State of California  
Pooled Money Investment Account  
Market Valuation  
11/30/2013**

Description	Carrying Cost Plus		
	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 13,633,461,252.16	\$ 13,644,445,500.00	NA
Notes	\$ 17,263,872,765.03	\$ 17,287,511,000.00	\$ 17,766,123.50
Federal Agency:			
SBA	\$ 556,638,947.67	\$ 551,766,371.10	\$ 529,216.89
MBS-REMICs	\$ 148,524,918.29	\$ 161,234,833.46	\$ 708,261.48
Debentures	\$ 1,374,392,646.97	\$ 1,371,905,500.00	\$ 5,012,535.84
Debentures FR	\$ -	\$ -	\$ -
Discount Notes	\$ 1,898,266,500.01	\$ 1,899,654,000.00	NA
GNMA	\$ -	\$ -	\$ -
Supranational Debentures	\$ 549,880,391.04	\$ 550,117,000.00	\$ 1,033,682.00
CDs and YCDs FR	\$ -	\$ -	\$ -
Bank Notes	\$ -	\$ -	\$ -
CDs and YCDs	\$ 5,975,024,373.94	\$ 5,972,317,037.11	\$ 3,553,097.21
Commercial Paper	\$ 2,224,522,388.94	\$ 2,224,589,770.84	NA
Corporate:			
Bonds FR	\$ -	\$ -	\$ -
Bonds	\$ -	\$ -	\$ -
Repurchase Agreements	\$ -	\$ -	\$ -
Reverse Repurchase	\$ -	\$ -	\$ -
Time Deposits	\$ 4,479,140,000.00	\$ 4,479,140,000.00	NA
AB 55 & GF Loans	\$ 8,441,826,649.37	\$ 8,441,826,649.37	NA
TOTAL	\$ 56,545,550,833.42	\$ 56,584,507,661.88	\$ 28,602,916.92

<b>Fair Value Including Accrued Interest</b>	<b>\$</b>	<b>56,613,110,578.80</b>
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Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).



**West Orange County Water Board  
Portfolio Management  
Portfolio Summary  
December 31, 2013**

City of Huntington Beach  
2000 Main St.  
Huntington Beach,

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
Local Agency Investment Funds	207,834.86	207,834.86	207,834.86	83.51	1	1	0.259	0.263
Passbook/Checking Accounts - UBOC	41,025.47	41,025.47	41,025.47	16.49	1	1	0.049	0.050
<b>Investments</b>	<b>248,860.33</b>	<b>248,860.33</b>	<b>248,860.33</b>	<b>100.00%</b>	<b>1</b>	<b>1</b>	<b>0.225</b>	<b>0.228</b>

Total Earnings	December 31	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	48.17		157.04	
Current Budget	40.00		120.00	480.00
Last Year Actual	60.00		180.00	720.00
Average Daily Balance	248,868.57		249,675.25	
Effective Rate of Return	0.23%		0.25%	

I certify that this report accurately reflects all WOCWB investments and is in conformity with all State laws and the investment policy statement filed with the WOCWB Board of Directors on January 18, 2012. A copy of this policy is available in the office of WOCWB. The investment program herein shown provides sufficient cash flow liquidity to meet the next six months' budgeted expenditures.

*Alisa Cutchen*  
Alisa Cutchen, Treasurer

1-7-14

Reporting period 12/01/2013-12/31/2013

Run Date: 01/07/2014 - 12:54

Portfolio WOCW  
AC  
PM (PRF\_PM1) 7.3.0  
Report Ver. 7.3.3b

**West Orange County Water Board**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**December 31, 2013**

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	S&P	YTM 365	Days to Maturity	Maturity Date
<b>Local Agency Investment Funds</b>												
SYS100	100	Local Agency Investment Fund			207,834.86	207,834.86	207,834.86	0.263		0.263	1	
		Subtotal and Average	207,834.86		207,834.86	207,834.86	207,834.86			0.263	1	
<b>Passbook/Checking Accounts - UBOC</b>												
SYS101	101	Union Bank of California			41,025.47	41,025.47	41,025.47	0.050		0.050	1	
		Subtotal and Average	41,023.71		41,025.47	41,025.47	41,025.47			0.050	1	
		Total and Average	248,858.57		248,860.33	248,860.33	248,860.33			0.228	1	

Run Date: 01/07/2014 - 12:54

Portfolio WOCW  
AC  
PM (PRF\_PM2) 7.3.0

Report Ver: 7.3.3b



# West Orange County Water Board Portfolio Management

Page 1

## Activity By Type

December 1, 2013 through December 31, 2013

CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Balance
Local Agency Investment Funds (Monthly Summary)							
Subtotal							207,834.86
Passbook/Checking Accounts - UBOC (Monthly Summary)							
SYS101	101	Union Bank of California	0.050		1.82	0.00	
Subtotal							41,025.47
Total							248,860.33

Run Date: 01/07/2014 - 12:54

Portfolio WOCW  
AC  
PM (PRF\_PW3) 7.3.0  
Report Ver: 7.3.3b

**West Orange County Water Board  
Portfolio Management  
Activity Summary  
December 2012 through December 2013**

Page 1

Month End	Year	Number of Securities	Average Balance	Yield to Maturity		Managed Pool Rate	Number of Investments Purchased	Number of Investments Redeemed	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
December	2012	2	253,772.23	0.318	0.322	0.324	0	0	1	1
January	2013	2	265,773.47	0.283	0.287	0.300	0	0	1	1
February	2013	2	287,741.90	0.259	0.262	0.286	0	0	1	1
March	2013	2	280,347.87	0.259	0.263	0.286	0	0	1	1
April	2013	2	279,979.18	0.240	0.243	0.264	0	0	1	1
May	2013	2	277,213.26	0.227	0.230	0.245	0	0	1	1
June	2013	2	293,513.82	0.164	0.166	0.245	0	0	1	1
July	2013	2	423,355.25	0.248	0.251	0.267	0	0	1	1
August	2013	2	336,053.41	0.249	0.253	0.271	0	0	1	1
September	2013	2	308,679.18	0.250	0.254	0.257	0	0	1	1
October	2013	2	280,026.22	0.257	0.261	0.266	0	0	1	1
November	2013	2	219,156.47	0.225	0.228	0.263	0	0	1	1
December	2013	2	248,858.57	0.225	0.228	0.263	0	0	1	1
Average		2	288,949.60	0.246%	0.250%	0.272	0	0	1	1

Run Date: 01/07/2014 - 12:54

Portfolio WOCW  
AC  
PM (PRF\_PMA) 7.3.0  
Report Ver. 7.3.3b

**West Orange County Water Board**  
**Portfolio Management**  
**Interest Earnings Summary**  
**December 31, 2013**

Page 1

	December 31 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
<b>Cash/Checking Accounts:</b>		
Interest Collected	1.82	197.10
Plus Accrued Interest at End of Period	-3,197.19	-3,197.19
Less Accrued Interest at Beginning of Period	( -3,243.54)	( -3,157.13)
Interest Earned during Period	48.17	157.04
Total Interest Earned during Period	48.17	157.04
Total Adjustments from Premiums and Discounts	0.00	0.00
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	48.17	157.04

Run Date: 01/07/2014 - 12:54

Portfolio WOCW  
AC  
PM (PRE\_PMS) 7.3.0  
Report Ver. 7.3.3b

## ANNUAL INVESTMENT POLICY

# **West Orange County Water Board**

## **Statement of Investment Policy**

### **1.0 POLICY**

1.1 Statement of Investment Policy. This statement of Investment Policy is intended to outline the policies for the prudent investment of funds for the West Orange County Water Board (WOCWB) to meet the short and long term cash flow needs of WOCWB.

This Investment Policy and practices are based upon the West Orange County Water Board Joint Powers Agreement dated October, 1967, as amended, prudent money management principles and State laws affecting the investment of funds. The Treasurer shall invest with the objectives of protecting principal of funds, providing sufficient liquidity to meet cash flow needs, and to achieve a reasonable rate of return within the parameter of prudent risk management as further described in 3.0, below.

1.2 Incorporated Appendices. Appendix 1, Definitions, and Appendix 2, Glossary, are attached to this Investment Policy and incorporated herein by this reference.

### **2.0 SCOPE**

This Investment Policy covers all funds and investment activities under the direct control of WOCWB unless specifically exempted.

### **3.0 OBJECTIVE**

The objective of the Investments is to meet the short and long term cash flow demands of WOCWB. To achieve this objective, and pursuant to Government Code Section 53600.5, the Investments will be structured to provide, in order of priority, (1) safety of principal; (2) providing sufficient liquidity to meet cash flow needs; and (3) providing a reasonable return on investment. These are further described below:

3.1 Safety of Principal. Safety of principal is the foremost objective of WOCWB's Investment Policy. Investments of WOCWB shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. WOCWB shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit Risk: Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall generally be mitigated by diversifying the Investments into two or more types of Authorized Investments at any one time as specified in 11.0.

Market Risk: The risk of market value fluctuations shall be reduced by mitigating the maximum maturity of an investment to five years or less as specified in 12.0.

3.2 Liquidity. The portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonable anticipated. This is accomplished by structuring the portfolio so that all funds mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will maintain moneys in funds with daily liquidity, such as LAIF.

3.3 Return on Investment. Return on investment is of least importance compared to the safety and liquidity objectives described above. The portfolio will provide a rate of return based on the market rates of investments, at the time of purchase.

#### **4.0      DELEGATION OF AUTHORITY**

Pursuant to Section 3.0 of the Joint Powers Agreement and Government Code Section 53607, the Board hereby authorizes the Treasurer, or his/her designee, to invest, reinvest, sell or exchange WOCWB's funds and Investments in accordance with Government Code Sections 53600, 16429.1 and 53684, et seq., as further limited by this Investment Policy. Such delegation of authority is subject to annual review and renewal by the Board as set forth in 16.0. Within the Treasurer's office, the responsibility for the day-to-day investment of WOCWB funds will be the Treasurer or his/her authorized designee. The Treasurer shall be responsible for all transactions undertaken pursuant to this delegation of authority and shall report such transactions to the Board as required pursuant to Government Code Section 53607.

#### **5.0      PRUDENCE**

Investments shall be made in the context of the "Prudent Investor" standard set forth in Government Code Section 53600.3 which generally states that investments shall be made with judgment and care—under circumstances then prevailing—which person of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. All Investments purchased shall have daily liquidity or a final stated maturity date, upon which the full principal value of the security will be received. Although the Investment will mature at full principal value, it is recognized that the market values of certain securities may vary from time to time.

The Treasurer and the Deputy Treasurer, as investment officers acting in accordance with the Investment Policy and exercising due diligence and the referenced standard of care, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported to WOCWB in a timely fashion and appropriate action is promptly taken to control adverse developments.

#### **6.0      ETHICS AND CONFLICTS OF INTEREST**

The Treasurer and his/her authorized designees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All individuals involved in the investment process shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of WOCWB.

The Treasurer and his/her authorized designees are required to file annual disclosure statements as required for "public officials who manage public investments" (as defined and required by the Political Reform Act and related regulations, being Government Code Sections 81000 and following and the Fair Political Practices Commission (FPPC)). During the course of the calendar year, if there is an event subject to disclosure that could impair the ability of the Treasurer or Deputy Treasurer to make impartial decisions, the General Manager and Board will be notified within 15 days of the event.

#### **7.0      AUTHORIZED FINANCIAL INSTITUTIONS**

The Treasurer will maintain a list of the financial institutions authorized to provide investment and depository services to WOCWB and will perform an annual review of the financial condition and require annual audited financial statements to be on file for each such company. No public deposit shall be made except in a qualified public depository as established by State law. Negotiable instruments requiring third party safekeeping are not cost effective for WOCWB. Consequently, WOCWB does not require broker/dealers. Money market mutual fund accounts are restricted to funds that are rated "AAA" by at least two nationally recognized statistical-rating organizations ("NRSRO") as set forth in 8.0.

## **8.0 AUTHORIZED AND SUITABLE INVESTMENTS**

Section 3.0 of the Joint Powers Agreement states that: "the Treasurer shall keep all revenues of WOCWB in an interest bearing account and otherwise perform the duties and responsibilities of that office as specified in Section 6505.5(a)-(e) of the Government Code."

All Investments under this Investment Policy shall be made in accordance with the provisions of Article I (commencing with Section 6500), Chapter 5, Division 7, Title 1 and Sections 16429.1, 53601, and 53635 of the Government Code.

Authorized Investments under this Investment Policy are as follows:

- 8.1 Passbook or checking account deposits at a financial institution as authorized under 7.0 (insured or collateralized as set forth in 10.0). Except as provided under 11.0 (Diversification) there are no limitations on the amount of funds that can be invested in this Authorized Investment.
- 8.2 Certificates of Deposit (insured or collateralized as set forth in 10.0) limited to 30% of the Book Value of the portfolio.
- 8.3 Local Agency Investment Fund (LAIF). Except as provided under 11.0 (Diversification) there are no limitations on the amount of funds that can be invested in this Authorized Investment.
- 8.4 "AAA" rated Money Market Mutual Funds not to exceed 20% of the Book Value of the portfolio. All Money Market Mutual Funds must be "AAA" (or equivalent) rated by two NRSRO, invest only in direct obligations in US Treasury bills, notes, bonds, agencies and repurchase agreements with a weighted average of 60 days or less, and have a minimum of \$500 million in assets under management. No more than 10% of the portfolio shall be invested in any one mutual fund.

## **9.0 INVESTMENT POOLS (LAIF DEPOSITS)**

The Treasurer will investigate all local government investment pools as authorized under Government Code 53684 and money market mutual funds prior to investing and quarterly thereafter while WOCWB funds are invested in the pool. Investment of funds in LAIF is authorized under provisions in Section 16429.1 of the Government Code as an allowable investment for local agencies even though some of the individual investments of the pool are not allowed as a direct investment by a local agency, and limits deposits to \$30 million per entity.

The Association of Public Treasurer's of the United States and Canada has issued guidelines and a questionnaire for investment pools. The response from LAIF is on file in the Treasurer's office. LAIF distributes monthly reports that provide the breakdown of the investment holdings. LAIF also provides quarterly reports indicating the maturity distribution and market value of the portfolio.

## **10.0 COLLATERALIZATION**

Under the provisions of the California Government Code (Sections 53652-53667), California banks, and savings and loan associations are required to secure WOCWB's Certificate of Deposits, passbook and checking account deposits by pledging eligible securities (as described in Government Code Section 53651) with a value of 110% of principal and accrued interest. Such collateral shall be marked-to-market no less often than monthly. The Treasurer will have the authority to waive collateral requirements for deposits insured by the FDIC pursuant to Government Code Section 53653.

## **11.0 DIVERSIFICATION**

WOCWB will diversify its Investments by security type and institution. Investments shall be made in at least two types of Authorized Investments at any one time. If authorized by the Board and the Treasurer, the funds of WOCWB may be invested in a single type of Authorized Investment if such Investment is fully insured as to both

principal and interest.

## **12.0 MAXIMUM MATURITIES**

To the extent possible, WOCWB will attempt to match its Investments with anticipated cash flow requirements. Unless matched to a specific cash flow need, WOCWB will not invest directly in securities maturing more than five years from the date of purchase.

## **13.0 PERFORMANCE STANDARDS**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The investment strategy will be passive and the benchmark for determining market yields will be the monthly average return of the 6-month constant maturity Treasury (6 month CMT). This will be used solely as a reference tool. The comparison to a benchmark does not imply that the Treasurer will add additional risk to the portfolio in order to attain or exceed the benchmark.

## **14.0 INTERNAL CONTROL**

The WOCWB's external auditors shall annually review the investments with respect to the Investment Policy as part of their annual audit procedures. This review will provide internal control by assuring compliance with policies and procedures for the investments that are selected for testing.

To provide further protection of WOCWB funds, written procedures, which are incorporated herein by reference, prohibit the wiring of any funds, or providing payments in the form of checks, without the authorization of at least two of the four following designated officials:

1. Treasurer
2. Deputy Treasurer
3. Director of Finance
4. Budget Manager

## **15.0 REPORTING**

Under the requirements of Government Code Section 53607 and 53646, the Treasurer shall render a written report to the Board of Directors containing detailed information on all securities, investments, and moneys of WOCWB. The reports will be submitted on a quarterly basis and provided to the Board within 30 days following the end of the quarter.

The reports will contain the following information:

- (i) Type of investment, name of the issuer, date of maturity, par and cost of each investment;
- (ii) the investments and moneys held by WOCWB, including a description of any funds, investments, or programs that are under the management of contracted parties;
- (iii) the market value and source of the valuation for all investments other than funds in LAIF, bank accounts and Certificates of Deposits (exempt from market valuation per Government Code);
- (iv) a statement of the compliance of the portfolio with the Investment Policy requirements or manner in which the portfolio is not in compliance;
- (v) a statement denoting WOCWB's ability to meet its expenditure requirements for the following six



months; or explaining as to why sufficient money shall not, or may not, be available;

- (vi) monthly transaction detail for investments; and
- (vii) with respect to those investments exempt from market valuation pursuant to (iii) the most recent statement or statements received by WOCWB.

#### **16.0 INVESTMENT POLICY ADOPTION AND PERIODIC REVIEW**

This Investment Policy shall be adopted by Resolution of the Board. This Investment Policy is subject to review and amendment by the Board, as the Board shall direct. This Investment Policy shall be reviewed on an annual basis by the Treasurer and annually submitted to the Board by the Treasurer pursuant to Government Code Section 53607 and annually approved or readopted by the Board at a public meeting thereof.

## **West Orange County Water Board Statement of Investment Policy**

### **DEFINITIONS**

The terms defined in this Appendix shall, for purposes of the West Orange County Water Board Investment Policy, have the meanings specified below:

**“Authorized Investments”** means those classes of investments, which are authorized pursuant to this Investment Policy in 8.0. Authorized Investments may be more restrictive than those authorized by State Law.

**“Board”** means the Board of Directors of WOCWB.

**“Book Value”** means the value of an Investment, or all Investments, based upon a marked-to-market valuation as of any particular date.

**“FDIC”** means the Federal Deposit Insurance Corporation.

**“General Manager”** means the General Manager of WOCWB as appointed by the Board.

**“Investment Policy”** means the investment policy adopted by the Board, as it may be supplemented or amended.

**“Investments”** means those investments made with the funds of WOCWB.

**“Joint Powers Agreement”** means that Joint Powers Agreement under which the WOCWB was organized and operates, pursuant to Government Code Section 6500 et. seq., as amended and supplemented.

**“State”** means the State of California.

**“Treasurer”** means the Treasurer of WOCWB, appointed by the Board pursuant to the Joint Powers Agreement. This includes an officer of a member agency of WOCWB (such as a city treasurer) serving in the capacity of Treasurer of WOCWB.

**“WOCWB”** means the West Orange County Water Board, a joint powers agency.

**Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context clearly otherwise indicates, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Investment Policy, refer to this Investment Policy.

# West Orange County Water Board

## Statement of Investment Policy

### GLOSSARY

**ASKED:** The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

**BASIS POINT:** One one-hundredth of a percent (i.e. 0.01%)

**BID:** The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

**BROKER:** A broker brings buyers and sellers together for a commission. He does not take a position.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COUPON:** a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. b) A certificate attached to a bond evidencing interest due on a payment date.

**DEALER:** A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g. US Treasury Bills).

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A Federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL OPEN MARKET COMMITTEE (FOMC):** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5700 commercial banks are member of the system.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**LOCAL GOVERNMENT INVESTMENT (LGIP):** the aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**NEGOTIABLE CERTIFICATES OF DEPOSIT:** Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See "Asked" and "Bid."

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PORTFOLIO:** Collection of securities held by an investor.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

**PRUDENT PERSON RULE:** An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called "legal list." In other states, the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES & EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15C3-1:** See "Uniform Net Capital Rule."

**TREASURY BILLS:** A non-interest bearing discount security issued by the US Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

**TREASURY BOND:** Long-term US Treasury securities having initial maturities of more than 10 years.

**TREASURY NOTES:** Intermediate-term coupon bearing US Treasury having initial maturities of from one year to ten years.

**UNIFORM NET CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well

as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**LOCAL AGENCY INVESTMENT FUND**

## **RESOLUTION NO. 14-02**

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE WEST ORANGE COUNTY WATER BOARD AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND**

**WHEREAS**, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

**WHEREAS**, the deposit, investment and withdrawal of funds of the West Orange County Water Board ("WOCWB") in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code is authorized by the WOCWB Statement of Investment Policy, as adopted by this Board of Directors; and

**WHEREAS**, the Board of Directors of WOCWB does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of WOCWB.

**NOW THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED by the Board of Directors of the West Orange County Water Board as follows:**

Section 1. That the Board of Directors does hereby authorize the deposit of WOCWB monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

Section 2. That the following WOCWB officers, or their successors in office, shall be authorized to order the deposit or withdrawal of WOCWB monies in the Local Agency Investment Fund:

- (a) The City of Huntington Beach City Treasurer;
- (b) The City of Huntington Beach Deputy City Treasurer;
- (c) The City of Huntington Beach Finance Director; and
- (d) The City of Huntington Beach Budget Manager.

ADOPTED, SIGNED and APPROVED this 15th day of January, 2014

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Chairperson  
West Orange County Water Board and  
Board of Directors thereof

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Secretary  
West Orange County Water Board

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Vice Chairperson  
West Orange County Water Board and  
Board of Directors thereof

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Director  
West Orange County Water Board

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Director  
West Orange County Water Board

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Director  
West Orange County Water Board



STATE OF CALIFORNIA       )  
  ) ss.  
COUNTY OF ORANGE       )

I, Laurie Hill, Secretary of the Board of Directors of the West Orange County Water Board, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of the West Orange County Water Board at a regular meeting of such Board held on the 15th day of January, 2014, and that it was so adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Secretary of the Board of Directors of the  
West Orange County Water Board

STATE OF CALIFORNIA        )  
  ) ss.  
COUNTY OF ORANGE        )

I, Laurie Hill, Secretary of the Board of Directors of the West Orange County Water Board, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 14-02 of such Board and that the same has not been rescinded, amended or repealed.

Dated this 15th day of January 2014.

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Secretary of the Board of Directors of the  
West Orange County Water Board

## **OPERATIONS & MAINTENANCE REPORT**

**To:** Laurie Hill  
**From:** Jay A. Kleinheinz  
**Date:** November 6, 2013  
**Subject:** WOCWB Water Use for October, 2013

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The water use billing allocations for the West Orange County Water Board members supplied by feeder connections OC-9 and OC-35 are as follows:

	<u><b>Acre Feet</b></u>	
	<u><b>OC-9</b></u>	<u><b>OC-35</b></u>
<b>Garden Grove</b>	0.0	0.0
<b>Seal Beach</b>	0.0	142.1
<b>Huntington Beach</b>	433.6	362.3
<b>Westminster</b>	253.1	0.0
<b>WOCWB (flushing)</b>	0.0	0.0

If you have any questions, please contact Jay Kleinheinz at (714) 374-1512

Very truly yours,

Jay A. Kleinheinz  
Water Production Supervisor

JAK:ss

**To:** Laurie Hill  
**From:** Jay A. Kleinheinz  
**Date:** December 6, 2013  
**Subject:** WOCWB Water Use for November, 2013

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The water use billing allocations for the West Orange County Water Board members supplied by feeder connections OC-9 and OC-35 are as follows:

	<u>Acre Feet</u>	
	<u>OC-9</u>	<u>OC-35</u>
<b>Garden Grove</b>	0.0	0.0
<b>Seal Beach</b>	0.0	0.0
<b>Huntington Beach</b>	200.6	52.0
<b>Westminster</b>	251.2	0.0
<b>WOCWB (flushing)</b>	0.0	0.0

If you have any questions, please contact Jay Kleinheinz at (714) 374-1512

Very truly yours,

Jay A. Kleinheinz  
Water Production Supervisor

JAK:ss

**To:** Laurie Hill  
**From:** Jay A. Kleinheinz  
**Date:** January 6, 2014  
**Subject:** WOCWB Water Use for December, 2013

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The water use billing allocations for the West Orange County Water Board members supplied by feeder connections OC-9 and OC-35 are as follows:

	<u><b>Acre Feet</b></u>	
	<u><b>OC-9</b></u>	<u><b>OC-35</b></u>
<b>Garden Grove</b>	0.0	0.0
<b>Seal Beach</b>	0.0	0.0
<b>Huntington Beach</b>	148.8	59.7
<b>Westminster</b>	27.2	0.0
<b>WOCWB (flushing)</b>	0.0	0.0

If you have any questions, please contact Jay Kleinheinz at (714) 374-1512

Very truly yours,

Jay A. Kleinheinz  
Water Production Supervisor

JAK:ss

## **MANAGEMENT AND ENGINEERING REPORT**

# *West Orange County Water Board*

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*General Manager, Engineer, Secretary, Fiscal Agent*

City of Huntington Beach  
19001 Huntington Street  
Huntington Beach, California 92648  
(714) 536-5921 FAX (714) 847-1067

*Bowie, Arneson, Wiles and Giannone*

4920 Campus Drive, Suite A  
Newport Beach, California 92660

Date: January 15, 2014

To: West Orange County Water Board

From: Brian A. Ragland, P.E., General Manager

Subject: Poseidon Resources Project Status

On November 13, 2013 the Poseidon Resources Desalination Project Development Permit hearing before the California Coastal Commission was held in Newport Beach. Approximately 300 members of the public attended the hearing, many of whom provided their opinion(s) to the commission during the public comment portion of the hearing.

The Commission's staff report included 21 special conditions that included the elimination of the existing AES open ocean intake from the project plans and the installation of a seafloor infiltration gallery as the means of providing project water, the modification of the ocean outfall to reduce the salinity concentration in the discharge area of the pipeline, wetland buffer requirements, minimization of noise effects on sensitive species, protection from a 500 year flood event and tsunamis, as well as facility design requirements to address earthquakes, soil settlement or displacement due to liquefaction or soil spread.

Commission members requested additional information regarding the seafloor infiltration gallery and Poseidon's position that such a system was not feasible. Poseidon withdrew their application to allow for a continuance of greater than ninety days, which will be necessary in order to conduct the additional studies on the alternate seawater intake. Poseidon will be working with the Coastal Commission staff to address the questions raised at the hearing including those related to the feasibility of an alternate intake facility. Poseidon expects to return to the Commission before the end of the year.



**COMMENTS, QUESTIONS OR CONCERNS FROM DIRECTORS**

**ADJOURNMENT**